

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6182

BILL NUMBER: SB 20

NOTE PREPARED: Feb 28, 2005

BILL AMENDED: Feb 28, 2005

SUBJECT: Wage Payment Issues.

FIRST AUTHOR: Sen. Young R Michael

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides a procedure for an employer to deduct amounts, not to exceed \$100, for which a wage assignment may be made that are due to the employer from an employee from the employee's unpaid wages. It allows an employee whose average weekly wage is less than \$1,000 to recover up to two times the amount of unpaid wages and reasonable attorney fees when an employer's failure to pay an employee's wages does not occur in good faith. The bill exempts employees who are classified as exempt under the federal Fair Labor Standards Act from the state provisions concerning wage payment.

The bill permits a wage assignment for:

- (1) payment for uniforms;
- (2) payment for tools and equipment; or
- (3) tuition repayment.

It establishes a fee for issuing a replacement payroll check in certain circumstances.

This bill requires an employer to reimburse an employee for:

- (1) stop payment, insufficient funds, and other fees imposed by a financial institution; and
- (2) late payment charges imposed by a creditor; incurred when an employer's payroll payment is delayed or denied.

The bill repeals and relocates language making it a Class C infraction for an employer to sell merchandise or supplies to an employee for a price higher than to the public.

It repeals a chapter concerning the regulation of wage payments, which includes the following provisions: (1)
A provision requiring an employer to pay employees in commercial paper.
(2) A duplicate provision concerning frequency of wage payments.
(3) A provision containing outdated language concerning liens of laborers.

Effective Date: July 1, 2005.

Explanation of State Expenditures: The impact on the state and local governments would be as an employer and should be a minor impact, if any.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.